Misuse of export promotion schemes

2668. SHRI NANDI YELLAIAH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether certain Import and Export Companies, which exist only on documents, have cheated the Government to the tune of several crores of rupees by misusing Export Promotion Schemes;

(b) If so, the details thereof;

(c) whether it is also a fact that some officials of customs Department are also involved in this racket;

(d) if so, the details thereof and the number of custom officers facing charges and details of action taken against them, State-wise; and

(e) the steps taken to check such fraudulent practices?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Yes, Sir. Some Import and Export Companies in the country have been found to be involved in fraudulent claims of export incentives under various export promotion schemes.

(b) The number of companies as referred to in part (a) has been reported to be 154. The total value of export incentive involved in these cases is Rs. 62.83 crores.

(c) Yes, Sir. In two cases in Delhi.

(d) One Preventive Officer posted in Custom House, Delhi, has been suspended. In another case, one Inspector and one Superintendent have been arrested by Delhi DRI.

(e) The officers scrutinize the Export/Import documents very carefully to prevent any of such fraudulent act by any unscrupulous Exporters/Importers. The preventive machinery has been strengthened recently to thwart any such attempts by collection of useful intelligence.